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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	CRD NO.: 286086
	)	
THE COMMISSIONER OF BUSINESS	)	
OVERSIGHT,	)	CONSENT ORDER
	)	
Complainant,	)	
	)	
v.	)	
	)	
CANDIDE GROUP, LLC,	)	
	)	
Respondent.	)	
	)	
	)	

This Consent Order (Order) is entered into by and between the Complainant, the Department of Business Oversight (Department), by and through the Commissioner of Business Oversight (Commissioner) and Candide Group, LLC (Candide) (hereinafter collectively the “Parties”). This Order is made with reference to the following facts:

**RECITALS**

Candide is a California limited liability company, formed June 24, 2015, with its principal place of business at 1330 Broadway Street, Suite 303, Oakland, California 94612.

A. On or about February 2, 2017, Candide filed an application for an investment adviser certificate with the Department pursuant to Corporations Code section 25231. The application revealed that Candide was engaged in investment adviser activities prior to licensure.

B. On its application, Candide admitted that it was currently providing investment advice. The application disclosed that Candide evaluates the social and economic impacts of companies for the purpose of advising clients whether to invest in those companies.

C. When the Department inquired about Candide's investment adviser activities, Candide fully cooperated and provided information showing it has two clients.

D. The Department finds, based upon the information provided by Candide, that Candide was engaged in unlicensed investment adviser activity, in violation of Corporations Code section 25230, subdivision (a).

E. Candide has not held a valid investment adviser certificate issued by the Department at any time.

F. It is the intention and desire of the Parties to resolve this matter without the necessity of a hearing and/or other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the Parties agree as follows:

### TERMS AND CONDITIONS

1. Purpose: The purpose of this Order is to settle and resolve the issues between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.

2. Desist and Refrain Order: Candide agrees to desist and refrain from any unlicensed investment adviser activities in violation of Corporations Code section 25230, and hereby consents to a desist and refrain order prohibiting it from engaging in unlicensed activities pursuant to Corporations Code section 25532.

3. Waiver of Hearing Rights: Candide acknowledges the right to a hearing under Corporations Code section 25532 with respect to the desist and refrain order or any other section of the Corporate Securities Law of 1968 (CSL) in connection with the application for an investment adviser

1 certificate, and hereby waives that right to a hearing, and to any reconsideration, appeal, or other right  
2 to review which may be afforded pursuant to the CSL, the California Administrative Procedure Act,  
3 the California Code of Civil Procedure, or any other provision of law, and by waiving such rights,  
4 agrees to this Consent Order.

5       4.     Acknowledgement: Candide stipulates to the issuance of the orders and acknowledges  
6 that this action can be used in future proceedings that may be initiated by or brought before the  
7 Department. The Parties agree that this Order and any acknowledgements hereunder shall not be  
8 admissible or binding against Candide in any action(s) brought against Candide by third parties that  
9 are not signatories to this Order or in any other proceedings except as expressly permitted by this  
10 Paragraph 3 before the Department.

11       5.     Certification: Candide stipulates to undertake all appropriate steps designed to assure  
12 full compliance with the laws of California in connection with the licensing of Candide's business as  
13 an investment adviser. Candide acknowledges that failure to comply under this Order shall be a  
14 breach of this Order and shall be cause for the Commissioner to immediately revoke any licenses held  
15 by, and/or deny any pending application(s) of Candide, its successors and assigns, by whatever names  
16 they might be known. Candide hereby waives any notice and hearing rights to contest such  
17 revocations and/or denial(s) which may be afforded under the CSL, the California Administrative  
18 Procedure Act, the California Code of Civil Procedure, or any other provision of law in connection  
19 with this action.

20       6.     Administrative Penalties: Candide agrees to pay to the Commissioner penalties totaling  
21 \$15,000.00. Such penalties shall be paid by Candide within 30 days of the date of the Order. The  
22 check shall be made payable to the "Department of Business Oversight" and  
23 transmitted to the attention of: Accounting, at the Department of Business Oversight located at 1515  
24 K Street, Suite 200, Sacramento, California, 95814. Notice of the payment shall concurrently be sent  
25 to the attention of Timothy L. Le Bas, Senior Counsel, Enforcement Division, 1515 K Street, Suite  
26 200, Sacramento, California 95814.

27       In the event the payment due date falls on a weekend or holiday, the payment shall be due the  
28 next business day. Candide acknowledges that failure to timely pay the penalties in this Order shall be

1 a breach of this Order and shall be cause for the Commissioner to immediately revoke any licenses  
2 held by, and/or deny any pending application(s) of Candide, its successors and assigns, by whatever  
3 name they might be known. Candide waives any notice and hearing rights to contest such revocation  
4 and/or denial(s) which may be afforded under the CSL, the California Administrative Procedure Act,  
5 the California Code of Civil Procedure, or any other provision of law in connection therewith.

6 7. Order of Disgorgement: Candide agrees to refund investment adviser fees to the two  
7 investors of Candide, for all fees collected during the time that Candide was providing investment  
8 adviser services without a license. These refunds shall be made within 30 days of the date of  
9 execution of this Consent Order as defined in Paragraph 9. Within 45 days from the effective date of  
10 this Consent Order, Candide shall submit a report to the Department with the following: 1) a list of  
11 the investors receiving refunds from Candide, 2) the amount of refund received by each investor, and  
12 3) the date upon which the refund was made to the investors. Candide shall submit this report to  
13 Timothy L. Le Bas, Senior Counsel, Enforcement Division, 1515 K Street, Suite 200, Sacramento,  
14 California 95814.

15 Candide understands and agrees to comply with the escheat statutes of California (Code Civ.  
16 Proc., § 1500 et seq.) for any refunds unclaimed by any investor of Candide.

17 8. Future Actions by the Commissioner: Other than as to the matters resolved herein, the  
18 Commissioner reserves the right to bring any future action(s) against Candide and/or any of the  
19 officers, directors, shareholders, or employees of Candide for any and all unknown or future violations  
20 of the CSL. Other than as to the matters resolved herein, this Order shall not serve to exculpate  
21 Candide or any of the officers, directors, shareholders, or employees of Candide from liability for any  
22 and all unknown or future violations of the CSL.

23 9. Effective Date: This Order shall not become effective until signed and dated by each of  
24 the parties hereto.

25 10. Consent Order Coverage: The Parties hereby acknowledge and agree that this Order is  
26 intended to constitute a full, final, and complete resolution of this matter (including, but not limited to,  
27 any and all assertions by the Department that Candide has allegedly engaged in unlicensed investment  
28 adviser activity through the effective date of this Order). The Parties further acknowledge and agree,

1 except as provided in Paragraph 3, above, that nothing contained in this Order shall operate to limit the  
2 Commissioner's ability to cooperate with any other agency, county, state or federal, with any  
3 prosecution, administrative, civil or criminal, brought by any such agency against Candide based upon  
4 any of the activities alleged in this matter or otherwise.

5 11. Independent Legal Advice: Each of the Parties represents, warrants, and agrees that it  
6 has received or been advised to seek independent legal advice from its attorneys with respect to the  
7 advisability of executing this Order.

8 12. No Other Representation: Each of the parties represents, warrants, and agrees that in  
9 executing this Order has relied solely on the statements set forth herein and the advice of its own  
10 counsel. Each of the parties further represents, warrants, and agrees that in executing this Order it has  
11 placed no reliance on any statement, representation, or promise of any other party, or any other person  
12 or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to  
13 make any statement, representation or disclosure of anything whatsoever. The parties have included  
14 this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute  
15 this Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or  
16 contradict the terms of this Order.

17 13. Modifications and Qualified Integration: No amendment, change or modification of  
18 this Order shall be valid or binding to any extent unless it is in writing and signed by all of the parties  
19 affected by it.

20 14. Full Integration: This Order is the final written expression and the complete and  
21 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
22 between the parties with respect to the subject matter hereof, and supersedes all discussions between  
23 and among the parties, their respective representatives, and any other person or entity, with respect to  
24 the subject matter covered hereby.

25 15. No Presumption From Drafting: In that the parties have had the opportunity to draft,  
26 review and edit the language of this Order, no presumption for or against any party arising out of  
27 drafting all or any part of this Order will be applied in any action relating to, connected to, or  
28 involving this Order. Accordingly, the parties waive the benefit of Civil Code section 1654 and any

1 successor or amended statute, providing that in cases of uncertainty, language of a contract should be  
2 interpreted most strongly against the party who caused the uncertainty to exist.

3 16. Counterparts: This Order may be executed in any number of counter-parts by the  
4 Parties, and when each party has signed and delivered at least one such counterpart to the other party,  
5 each counterpart shall be deemed an original and taken together shall constitute one and the same  
6 Order. This Order may be executed via original signatures exchanged by facsimile or electronic  
7 means.

8 17. Headings and Governing Law: The headings to the paragraphs of this Order are  
9 inserted for convenience only and will not be deemed a part hereof or affect the construction or  
10 interpretation of the provisions hereof. This Order shall be construed and enforced in accordance with,  
11 and governed by, the laws of the State of California.

12 18. Authority For Settlement: Each party warrants and represents that such party is fully  
13 entitled and duly authorized to enter into and deliver this Order. In particular, and without limiting the  
14 generality of the foregoing, each party warrants and represents that it is fully entitled to enter into the  
15 covenants, and undertake the obligations set forth herein.

16 19. Public Record: Candide hereby acknowledges that this enforcement action and Order  
17 will be a matter of public record.

18 20. Voluntary Agreement: The Parties each represent and acknowledge that he, she, or it is  
19 executing this Order completely voluntarily and without any duress or undue influence of any kind  
20 from any source.

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22 ///

23 ///

1 IN WITNESS WHEREOF, the Parties hereto have approved and executed this Order on the  
2 dates set forth opposite their respective signatures.

3 Dated: October 12, 2017

JAN LYNN OWEN  
Commissioner of Business Oversight

4  
5 By \_\_\_\_\_  
6 MARY ANN SMITH  
7 Deputy Commissioner  
8 Enforcement Division

9  
10 Dated: October 10, 2017

By \_\_\_\_\_  
11 MORGAN SIMON, Chief Executive Officer  
12 Candide Group, LLC

13  
14 Approved as to Form and Content

15 Dated: October 11, 2017

By \_\_\_\_\_  
16 ROBERT BOECHE  
17 Attorney on Behalf of  
18 Candide Group, LLC